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*State Bank*

JAMES R. ECKERT  
PRESIDENT AND TRUST OFFICER

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September 19, 2005

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John F. Carter, Regional Director  
Federal Deposit Insurance Corporation  
25 Jessie St. at Ecker Square, Suite 2300  
San Francisco, CA 94105

Re: Comments regarding FDIC Application #2005-1977  
Wal-Mart Application for Insurance/Industrial Bank Charter

Dear Mr. Carter:

Please add our letter to those in protest of allowing Wal-Mart to enter the banking field in any way, shape or form.

While Wal-Mart's current application is very narrow in nature, once they have a charter there is nothing to prevent them from requesting an expansion of their banking activities.

In our area Wal-Mart has moved into most of the larger towns, resulting in the closing of many small grocery stores, hardware stores, and other retail establishments which are not able to compete in price or variety of merchandise. With the loss of those establishments (and the consumer traffic they generate) other small business not in direct competition with Wal-Mart (i.e. restaurants, taverns, etc.) have also closed or are struggling to survive. Many of the small Central Illinois communities we serve are now almost devoid of small business establishments!

While we do not object to competition, we do object to unfair competition.

Why should Wal-Mart be allowed to enter the banking field when banks are not permitted to enter the retail field?

Also, we do not see how the FDIC and the Federal Reserve System can successfully regulate an institution which could eventually have branches in each of Wal-Mart's 3,000+ retail outlets?

We are already concerned that there is unfair regulation of institutions like State Farm Bank (which is already in our area) and has a potential deposit and loan outlet in every State Farm agent's office. Are State Farm agents subject to the same training requirements and regulatory scrutiny as banks with regards to Customer Privacy, Community Reinvestment, GLBA, Patriot Act, Bank Secrecy, etc.? **We doubt it!**

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One only has to look at economic difficulties in Germany and Japan to see what can happen when banking and commerce are combined "under the same roof".

Although the official "party line" of the Federal Reserve and the F.D.I.C is that there is no institution "too big to fail", it is the opinion of small banks that there is **no way** the Federal Government will allow a large institution to fail and there is **no way** the F.D.I.C. insurance fund can pay off the insured depositors of some of the large banks without bankrupting the BIF or calling upon the remaining banks to pay large assessments to replenish the fund.

An often overlooked fact in government and regulatory circles is that there is no "free lunch". Any increase in costs to banks must eventually be passed on to consumers in the form of higher loan rates, lower deposit rates, higher service charges (or some combination thereof).

Will Wal-Mart (at its many locations) try to meet the credit requirements of the communities it is supposed to serve? We do not feel a Wal-Mart bank will be interested in financing farmers and other small businesses, yet will siphon deposits from local communities for large scale lending. Wal-Mart is already well know for its "strong arm" tactics with suppliers. What would keep a Wal-Mart bank from pressuring its suppliers to do all deposit and loan business with them?

Please give this matter careful consideration and then deny the application.

Let Wal-Mart do what they do best - retailing.

Sincerely,

James R. Eckert  
President and Trust Officer

cc: Hon. Donald E. Powell, Chairman  
Federal Deposit Insurance Corporation